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INSURANCE CODE - INS

DIVISION 2. CLASSES OF INSURANCE [1880 - 12880.8] (*Division 2 enacted by Stats. 1935, Ch. 145.*)

PART 1. FIRE AND MARINE INSURANCE [1880 - 10108.1] (*Part 1 enacted by Stats. 1935, Ch. 145.*)

CHAPTER 4. General Mutual Insurers [4010 - 4097.20] (*Chapter 4 added by Stats. 1963, Ch. 1772.*)

ARTICLE 6. Nonassessable Policies [4060 - 4064] (*Article 6 added by Stats. 1963, Ch. 1772.*)

4060. A domestic mutual insurer while maintaining unimpaired surplus funds not less in amount than one and one-half times the minimum paid-in capital stock required of a domestic stock insurer formed under this code for authority to transact the same class or classes of insurance, may, upon receipt of the commissioner's certificate so authorizing, extinguish the contingent liability to assessment of its members as to all its policies in force and may omit provisions imposing contingent liability in all policies currently issued. A fee of two hundred eighty-three dollars (\$283) shall accompany any application for that certificate.

(Amended by Stats. 2017, Ch. 534, Sec. 52. (AB 1699) Effective January 1, 2018.)

4061. The commissioner shall not authorize a domestic insurer to extinguish the contingent liability of any of its members or in any of its policies to be issued, unless it qualifies to and does extinguish such liability of all its members and in all such policies for all kinds of insurance transacted by it. No assessment shall be levied against any member or subscriber with respect to any nonassessable policy issued when the insurer had an unrevoked certificate to issue nonassessable policies.

(Added by Stats. 1963, Ch. 1772.)

4062. A foreign or alien mutual insurer may issue nonassessable policies to its members in this State pursuant to its charter and the laws of its domicile.

(Added by Stats. 1963, Ch. 1772.)

4063. The commissioner shall revoke the certificate of a domestic mutual insurer to issue policies without contingent liability if

- (a) At any time the insurer's assets are less than the sum of its liabilities and the surplus required for such certificate, or
- (b) The insurer, by resolution of its board of directors approved by a majority of its members, requests that the certificate be revoked.

(Added by Stats. 1963, Ch. 1772.)

4064. During the absence of such certificate the insurer shall not issue any policy without providing therein for the contingent liability of the policyholder, nor renew any policy which is then in force without endorsing the same to provide for such contingent liability.

(Added by Stats. 1963, Ch. 1772.)